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DEPARTMENT FOR EAP AND EAP/CM
NSC FOR DENNIS WILDER

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SUBJECT: USCC MEETING WITH PRO-DEMOCRACY LEGISLATORS

CLASSIFIED BY: E/P SECTION ACTING CHIEF JEFF ZAISER; REASONS 1.4 (B, D)

11. (C) SUMMARY: ON JUNE 26, SIX HONG KONG PRO-DEMOCRACY LEGISLATORS TOLD A VISITING DELEGATION FROM THE U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION (USCC) THAT HONG KONG CHIEF EXECUTIVE DONALD TSANG "HAS PUT DEMOCRACY INTO A BLACK HOLE." BEIJING WAS "VERY WORRIED" THAT FORMER CHIEF SECRETARY ANSON CHAN MIGHT RUN AGAINST DONALD TSANG FOR CHIEF

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EXECUTIVE IN 2007 AND FORCE HIM TO "COMMIT TO POLICIES" INCLUDING IMPLEMENTATION OF UNIVERSAL SUFFRAGE. THE PAN-DEMOCRATS FACED "SERIOUS DIFFICULTIES" IN CONTESTING THE CHIEF EXECUTIVE ELECTION, AND MANY OF THEIR SUPPORTERS "FEEL DESPAIR OR APATHY" ABOUT THE HONG KONG POLITICAL SITUATION. ONE LEGISLATOR, EMILY LAU, SUGGESTED THAT THE PAN-DEMOCRATS SHOULD NOT CONTEST THE ELECTION, AS THAT WOULD SIMPLY LEND LEGITIMACY TO THE PROCESS. MARTIN LEE OF THE DEMOCRATIC PARTY DISAGREED, SAYING IT WOULD BE BENEFICIAL IF ANSON CHAN LOST THE ELECTION COMMITTEE ELECTION BUT WON THE CONTEST FOR PUBLIC OPINION. RONNY TONG OF THE CIVIC PARTY OBSERVED THAT HONG KONG'S GROWING INCOME DISPARITY WAS A "PRESSURE COOKER BUILDING." LEE OBSERVED THAT BEIJING'S DESIRE FOR INTERNATIONAL RECOGNITION, MOST RECENTLY MANIFESTED BY PRESIDENT HU JINTAO'S APRIL VISIT TO WASHINGTON, LEFT THE CENTRAL GOVERNMENT OPEN TO FOREIGN PRESSURE. TONG SAID THE US SHOULD TELL BEIJING TO "BUILD UP DEMOCRACY, NOT JUST IMPROVE HUMAN RIGHTS." END SUMMARY.

12. (C) ON JUNE 26, THE VISITING DELEGATION FROM THE U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION (USCC) DISCUSSED HONG KONG AND MAINLAND POLITICAL AND HUMAN RIGHTS DEVELOPMENTS WITH SIX PRO-DEMOCRACY LEGISLATIVE COUNCIL (LEGCO) MEMBERS: MARTIN LEE AND LEE WING-TAT OF THE DEMOCRATIC PARTY (DP), RONNY TONG AND ALAN LEONG OF THE CIVIC PARTY (CP), ALBERT CHENG (INDEPENDENT), AND EMILY LAU (THE FRONTIER). THE COMMISSION MEMBERS DREW LAUGHTER AND A TOAST FROM THE LEGCO MEMBERS WHEN THEY DESCRIBED THE PRC GOVERNMENT'S ATTEMPT TO PLACE RESTRICTIONS ON THE DELEGATION'S TRAVEL, INCLUDING LIMITATIONS ON THE SIZE OF THE DELEGATION AND THE AMOUNT OF TIME IT SPENT IN CHINA, AS WELL AS THE CENTRAL GOVERNMENT'S "SINCERE HOPE" THAT THE COMMISSIONERS NOT REFER TO "THE COMMISSION" NOR TO THEMSELVES AS "COMMISSIONERS" WHILE IN CHINA, NOT TRAVEL DIRECTLY FROM HONG KONG TO TAIWAN, AND NOT MEET WITH ANY PRO-DEMOCRACY ADVOCATES IN HONG KONG.

CHIEF EXECUTIVE ELECTION

13. (C) ACCORDING TO MARTIN LEE, HONG KONG CHIEF EXECUTIVE DONALD TSANG "HAS PUT DEMOCRACY INTO A BLACK HOLE." HE SAID BEIJING WAS "VERY WORRIED" THAT FORMER CHIEF SECRETARY ANSON CHAN MIGHT RUN AGAINST DONALD TSANG FOR CHIEF EXECUTIVE IN 2007, BECAUSE A CONTESTED ELECTION COULD FORCE TSANG TO "COMMIT TO POLICIES," HOPEFULLY INCLUDING A TIMETABLE FOR IMPLEMENTATION OF UNIVERSAL SUFFRAGE. LEE VIEWED CHAN AS A "CREDIBLE CANDIDATE WHO WOULD LEGITIMIZE THE ELECTION AND DONALD TSANG." HE REALIZED THAT BEIJING WAS WORRIED ABOUT "ACCIDENTS" THAT MIGHT THREATEN HONG KONG'S STABILITY, BUT ASKED RHETORICALLY ABOUT THE EFFECT OF ELECTION OF A NEW CHIEF EXECUTIVE WHO LACKED POPULAR SUPPORT. LEE WING-TAT SAID BEIJING WANTED TO KNOW THE RESULT OF AN ELECTION BEFORE AGREEING TO HOLD ONE; IN OTHER WORDS, THE CENTRAL GOVERNMENT DEMANDED A "VERY HIGH SAFETY MARGIN." FURTHERMORE, BEIJING DID NOT WANT TSANG TO FACE AN OPPOSITION CANDIDATE WHO WAS CHARISMATIC OR WHOSE POPULARITY MIGHT BE HIGHER THAN THAT OF THE CHIEF EXECUTIVE. MARTIN LEE ALSO EXPRESSED GRATITUDE FOR U.S. SUPPORT, SAYING "ONLY THE U.S. WAS TRYING TO HELP HONG KONG."

14. (C) RONNY TONG SAID THE PAN-DEMOCRATS FACED "SERIOUS DIFFICULTIES" IN CONTESTING THE CHIEF EXECUTIVE ELECTION, AND HE BELIEVED THAT AN ANSON CHAN CANDIDACY WAS "NOT THE WHOLE ANSWER." MANY DEMOCRATIC SUPPORTERS CURRENTLY "FEEL DESPAIR OR APATHY" ABOUT THE HONG KONG POLITICAL SITUATION, AND ALSO FEAR THAT "ANY PARTY NOT TALKING TO BEIJING HAS NO FUTURE." TO ADDRESS THAT CONCERN, TONG SAID THE DEMOCRATS NEEDED TO BUILD, PREFERABLY WITH INTERNATIONAL ASSISTANCE, A CHANNEL OF COMMUNICATIONS TO BEIJING THAT WOULD HELP TO EASE THE CURRENT LACK OF MUTUAL TRUST. SUCH AN EFFORT WOULD HAVE TO BE UNDERTAKEN QUIETLY, SAID TONG, AS ANY PUBLIC PRESSURE WOULD ONLY "HARDEN" BEIJING.

15. (C) EMILY LAU OPINED THAT THE PAN-DEMOCRATS SHOULD NOT CONTEST THE ELECTION, AS THAT WOULD SIMPLY LEND LEGITIMACY TO THE PROCESS AND SEND THE WRONG SIGNAL. MARTIN LEE DISAGREED, SAYING THAT IT WOULD BE BENEFICIAL IF ANSON CHAN, FOR EXAMPLE, WERE TO RUN AND LOSE THE ELECTION COMMITTEE ELECTION, BUT STILL WIN THE CONTEST FOR PUBLIC OPINION; IF AN

OPPOSITION CANDIDATE LOST BOTH THE VOTE AND THE PUBLIC OPINION POLLS, HOWEVER, IT WOULD BE BAD FOR THE PAN-DEMOCRATS. LAU STILL DISSENTED, ASKING THAT THE USG "CONDEMN" THE ELECTION AND ADDING THAT IF ANSON CHAN "ACTS LIKE A REAL CANDIDATE, IT ADDS LEGITIMACY" TO THE ELECTION.

UNIVERSAL SUFFRAGE

16. (C) ASKED ABOUT FEARS EXPRESSED TO THE DELEGATION EARLIER THAT DAY (SEPTEL) BY THE DEMOCRATIC ALLIANCE FOR THE BETTERMENT AND PROGRESS OF HONG KONG (DAB), THAT UNIVERSAL SUFFRAGE WOULD ENABLE A "POPULIST PARTY" TO RAISE TAXES IN ORDER TO INCREASE WELFARE BENEFITS, WHICH IN TURN WOULD UNDERMINE HONG KONG'S ECONOMIC COMPETITIVENESS, TONG SAID THERE CURRENTLY WERE NO "POPULIST" POLITICAL PARTIES IN HONG KONG. THAT SAID, HOWEVER, HE BELIEVED THE CITY'S "HUGE RICH-POOR GAP" WAS A "PRESSURE COOKER BUILDING." THE HKSARG HAD DECIDED TO SPEND FIVE BILLION HONG KONG DOLLARS (USD 640 MILLION) TO CONSTRUCT A NEW GOVERNMENT OFFICE COMPLEX AT TAMAR, BUT ARGUED ABOUT INCREASING A 130 HKD (USD 17) MONTHLY WELFARE BENEFIT. HONG KONG, HE CONCLUDED, WAS "A VERY RICH CITY WITH SOME VERY POOR PEOPLE." HE ALSO NOTED THAT NEWLY ARRIVED IMMIGRANTS WERE REQUIRED TO RESIDE IN HONG KONG FOR SEVEN YEARS BEFORE QUALIFYING FOR WELFARE BENEFITS. ALBERT CHENG OBSERVED THAT "IF THE PEOPLE WANT WELFARE, SO BE IT -- IT'S THEIR CHOICE. HE SAID HONG KONG'S EXISTING SYSTEM, WITH NO COLLECTIVE BARGAINING AND NO MINIMUM WAGE, PROTECTS BIG BUSINESS, WHICH HE SAID WAS "GETTING A FREE LUNCH" WITH NO ACCOUNTABILITY TO THE PUBLIC. TONG SAID THE DAB WAS A "GRASS ROOTS, PRO-BEIJING" PARTY THAT REPRESENTED MANY OF HONG KONG'S LOW-INCOME FAMILIES. HE SAID THE CITY'S "OLD PEOPLE" TENDED TO BE MORE PATRIOTIC, WITH SIXTY PERCENT OF RESIDENTS OVER THE AGE OF SIXTY SUPPORTING THE DAB. CONVERSELY, HE SAID YOUNG, HIGHER INCOME PEOPLE TENDED TO SUPPORT HIS CP. THE DAB CURRENTLY WAS "TOEING THE GOVERNMENT LINE," WHICH WAS

THAT THE ECONOMY WAS DOING WELL SO "DON'T RUIN IT."

MAINLAND: OPEN TO FOREIGN PRESSURE

17. (C) EMILY LAU RAISED THE CASE OF DETAINED HONG KONG JOURNALIST CHING CHEONG, SAYING SHE HAD HEARD HE SOON WOULD BE SENTENCED TO UP TO TEN YEARS IMPRISONMENT. MARTIN LEE OBSERVED THAT BEIJING'S DESIRE FOR INTERNATIONAL RECOGNITION, MOST RECENTLY MANIFESTED BY PRESIDENT HU JINTAO'S APRIL VISIT TO WASHINGTON, LEFT THE CENTRAL GOVERNMENT OPEN TO FOREIGN PRESSURE. WHILE SOME ISSUES COULD BE RAISED QUIETLY, LEE FELT THAT "SOMETIMES YOU NEED TO GO PUBLIC." QUOTING CARDINAL ZEN ("I AM UNREPENTEDLY OPTIMISTIC"), LEE SAID THE KEY IN DEALING WITH THE MAINLAND WAS TO MONITOR THEIR COMPLIANCE WITH THEIR PROMISES. RONNY TONG SAID THE US SHOULD TELL BEIJING TO "BUILD UP DEMOCRACY, NOT JUST IMPROVE HUMAN RIGHTS." THE PRC COULD NOT HAVE RESPECT FOR HUMAN RIGHTS UNLESS THERE WAS THE RULE OF LAW, AND IT COULD NOT HAVE RULE OF LAW WITHOUT DEMOCRACY.

18. (SBU) THE USCC DELEGATION HAS CLEARED THIS CABLE.
MULLINS